



FOR IMMEDIATE RELEASE  
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District of Arizona*

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## **TWO TUCSON DEFENDANTS ARRAIGNED ON \$13 MILLION MORTGAGE FRAUD CONSPIRACY**

TUCSON -- On August 24, 2006, Frank Padilla, 36, and Carlos ("Charlie") Bent, 35, both of Tucson, were arraigned in U.S. District Court on an indictment charging them with conspiracy to commit fraud and money laundering in connection to a \$13 million mortgage fraud scheme. The two defendants were charged in an indictment returned by a federal grand jury at Tucson, on August 16, 2006.

Assistant Special Agent in Charge of the FBI, Roland Mignone stated, "With the recent housing boom throughout the U.S., Mortgage Fraud has become a growing problem as some may try to capitalize on the circumstances and make an easy profit. The FBI and IRS work closely together in order to protect home and land buyers from con artists perpetrating Mortgage Fraud "Property Flipping" schemes."

The indictment alleges that between September 2004 and to June 24, 2006, in Tucson and elsewhere in Arizona, defendants Frank Padilla and Carlos Bent and others, conspired in violation of Title 18, U.S.C., Section 371, to commit wire fraud, in violation of Title 18, U.S.C., Section 1343, and to engage in illegal monetary transactions greater than \$10,000, in violation of Title 18, U.S.C., Section 1957. The indictment alleges that defendants Padilla and Bent solicited individuals who owned 21 residential properties and which had not been sold despite being on the market for substantial periods of time and convinced these individuals to engage defendant Padilla and others as sales agents for the properties. The owners were told that their properties were worth more than the listed price, that a buyer would be found if the owners agreed to a "net listing" of the property wherein defendant Padilla would retain any sales proceeds above the owner's asking price.

The indictment further alleges that defendants Padilla and Bent found "straw buyers" to be the purported purchasers of the properties and paid the "straw buyers" a substantial fee for their fraudulent participation. It is also alleged that defendants Padilla and Bent and others created fraudulent documents, including false employment verifications, mortgage loan applications, bank statements and contractor's licenses in order to qualify the "straw buyers" for 23 mortgage loans from financial institutions totaling more than \$13 million in order to purchase the 21 residential properties (two properties were each sold twice). It is also alleged that defendants Padilla and Bent made minimal, if any, mortgage payments on the properties, allowing the properties to go into default and foreclosure, or be exposed to risk of default and foreclosure.

Finally, the indictment alleges that defendants Padilla negotiated 32 checks from title companies for currency, each totaling more than \$10,000 and which represented the proceeds of the fraud. Defendant Bent also negotiated one check with Padilla. The total of the 33 checks negotiated for currency was \$1,325,795.

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On August 24, 2006, Padilla and Bent were arraigned before U.S. Magistrate Judge Charles R. Pyle. A trial date of October 17, 2006 was set before U.S. District Judge Raner C. Collins. Both defendants are being held in federal custody as flight risks.

A conviction for conspiracy carries a maximum penalty of five years imprisonment, a \$250,000 fine or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by Federal Bureau of Investigation (FBI) and the Internal Revenue Service's Criminal Investigation Division (IRS-CID).

The prosecution is being handled by Danny N. Roetzel, Assistant U.S. Attorney, District of Arizona, Tucson.

ASAC Mignone also encouraged the public to look for general Mortgage Fraud prevention tips at [www.FBI.GOV](http://www.FBI.GOV).

CASE NUMBER: CR-06-01431-RCC (HCE)  
RELEASE NUMBER: 2006-163(Padilla&Bent)

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